

would likely result in its closure. We would have to drop money-losing services like the Medical Hospitalist program (\$550,000 loss per year) and Trauma Surgeon on-call program (\$850,000 loss per year) at Central Washington Hospital. We have supported those programs because they save lives, are cost-effective (for society at large), and are likely a pre-requisite to induce many physicians in the physician recruiting climate to any practice setting.

A broad and comprehensive delivery system in a rural region is an inter-connected and fragile organism. The proposed legislation fixes a problem that doesn't exist in either North Central Washington or the Wenatchee Valley Medical Center, and will unleash a series of decisions that will be deleterious in the short-run, and likely calamitous over the next five years. The proposal needs modification, and a significant increase in flexibility to reflect actual on the ground actualities in rural delivery systems.

The multi-specialty physician practice that is part of the Wenatchee Valley Medical Center includes more than 30 medical and surgical specialties in addition to a large number of primary care providers. The Medical Center provides the only services available in the region in the following specialties:

1. Medical Oncology
2. Radiation Oncology
3. Pulmonary Medicine
4. Medical Hospitalist
5. Surgical Hospitalist
6. Vascular Surgery
7. Neuro-Surgery
8. Cardiology
9. Rheumatology
10. Endocrinology
11. Nephrology
12. Gastroenterology
13. Neurology
14. Urology
15. Dermatology
16. Psychiatry

This year, the Wenatchee Valley Medical Center will serve more than 150,000 unique patients. Ninety four percent of those people reside in the four rural counties (Chelan, Douglas, Grant, Okanogan) where the Medical Center is located. The majority of these patients have long-standing relationships with the Wenatchee Valley Medical Center, some of those continuous relationships reach all the way back to the organization's founding. The four counties in North Central Washington have a combined population of 240,000. A comparison of the patients served by the Medical Center to the region's population indicates that the Medical Center is a key, and likely indispensable, component of the region's healthcare infrastructure.

The Wenatchee Valley Medical Center is a collaborator. It offers training opportunities to medical students and residents of the University of Washington and other medical schools; and has many training affiliations with area community colleges in the allied health professions. Wenatchee Valley Medical Center specialists outreach more than 1200 times annually to hospitals and clinics in outlying communities. Medical Center staff provides 24/7 coverage for the Emergency Room at North Valley Hospital in Tonasket. Medical Center staff provide 24/7 medical and surgical hospitalist coverage for the Trauma Center at Central Washington Hospital. The Medical Center is making its Computerized Medical Record available to all practitioners in the region, and its Patient Profile is being advanced by the Community Choice PHCO as a potential continuity of care record for the region.

The Wenatchee Valley Medical Center has a long-standing tradition of serving all comers, regardless of their ability to pay.

The Medical Center has a needs based Compassionate Care program that is well publicized and which will provide more than \$3 million in charitable care this year.

The Wenatchee Valley Medical Center is a cost-effective health care delivery system and is conservative in its ordering and treatment patterns. The Medical Center has ongoing focus and initiatives in areas like prescriptions, medical imaging, hospital and nursing home lengths of stay, and cardiovascular interventions.

The Medical Center is a Medicaid safety net provider, and accepts referrals from throughout the state. The Medical Center ranks among the top 5 Medicaid providers in Washington State. The region has a high and growing Medicare aged demographic. The Medical Center provides a variety of services needed by Medicare patients. The combination of Medicaid and Medicare represents sixty percent of the Wenatchee Valley Medical Center's volumes. Most healthcare financial analysts would maintain that those percentages are uneconomic and non-sustainable; that the cost-shift is too great.

As stated earlier, the Wenatchee Valley Medical Center is a hospital system. It was organized in that fashion in order to survive as a vital, dynamic contributor to healthcare and its delivery in North Central Washington. Having the opportunity to bill as a hospital provides the economic life ring that enables the Medical Center to compete in national markets for the physician recruits that our undermanned and health shortage regional delivery system is desperate for. Any "profits" earned by the Medical Center are plowed back into the delivery system; either to subsidize new services (like the recent opening of the Royal City Clinic in a community that was without healthcare for the last 2 years) or to invest in new services such as Image Guided Radiation Therapy and a Chemo-therapy Infusion Center in Moses Lake. The Medical Center is currently in the process of recruiting 29 new and replacement physicians to place throughout our region. A number of these recruits have been requested by the hospitals we co-labor with. There is significant working capital investment required to establish these practices, and frequently a tremendous facility investment needed to house these practices. Both of these investments are currently ongoing; and will be a death-trap if the proposed hospital self-referral legislation is enacted as currently drafted.

If you or your staff have questions or need additional information, please do not hesitate to contact our Administrator, Shaun Koos, Jay Johnson, our Associate Administrator or Bill Finerfrock our Washington DC Representative.

Your immediate consideration of this matter is critical to the continued availability of healthcare in North-Central Washington State. We look forward to working with you.

Sincerely,

DAVID WEBER,  
CEO/Chairman, Board of Directors,  
Wenatchee Valley Medical Center.

Madam Speaker, the Wenatchee Valley Medical Center was founded in 1940 by three physicians. In the last 67 years, it has grown and now employs 1,500, serves a population of a quarter of a million people in an area the size of Maryland, and treats 150,000 patients a year.

This bill would force its closure because it prohibits any hospital from being more than 40 percent owned by doctors if they are to continue to receive Medicare payments for providing care for seniors. The Wenatchee Valley

Medical Center is 100 percent opened by 150 doctors, and I fail to see why this should be made illegal in the United States of America.

At just after 2 a.m. this morning in the Rules Committee, I raised this concern with the two gentlemen representing the Ways and Means Committee and the Energy and Commerce Committee.

□ 1245

When I first asked why the medical center treating 150,000 patients should be forced to close, the initial reaction of Mr. PALLONE of New Jersey and Mr. McDERMOTT from Seattle, Washington, was that the medical center and I must be mistaken; we were wrong. They then stated that other hospitals had called them asking about this section as well.

Madam Speaker, something is terribly wrong in the House of Representatives if hospitals across this country are calling committees in a panic to find out if health care legislation is forcing them to shut down.

Subsequently, after some lengthy discussion in the early morning hours, the two Democrat committee representatives eventually acknowledged that I just might be right about what's going to happen in Wenatchee, and they said that's just what they intend to happen under this bill. Let me restate this. This is not an unintended consequence. It is an intentional consequence. My colleague from Seattle said that some people might squeal about what this bill does, but he stated that's what was needed to be done to save money. This bill saves money by putting the medical center out of business?

I sought to fix this provision by offering an amendment to the Rules Committee with Mrs. McMORRIS RODGERS from Washington whose constituents would also be affected by this bill. Our amendment simply would have removed one requirement of the bill that would force certain hospitals to close if more than 40 percent were owned by physicians. I'm dismayed, Madam Speaker, that on straight party-line vote that amendment was not allowed to be debated on the floor today.

Madam Speaker, I voted to create the SCHIP program, and I believe it must be renewed, but when we are faced with a bill that puts Medicare plans of over 150,000 seniors in Washington at risk and threatens the closure of the Wenatchee Valley Medical Center and all the patients it serves, I can't support this legislation.

I must ask, what else does this bill do that's not being explained? What other undiscovered ways will it reduce citizens' access to health care?

It doesn't have to be this way, Madam Speaker. This House can defeat this closed rule and we can have an opportunity to open the process. And with that, I urge my colleagues to vote against the rule and the underlying bill.

Ms. CASTOR. Madam Speaker, I'm pleased to yield 1 minute to the gentleman from Texas (Mr. EDWARDS), who